

Summary of the May 12, 2004 System Leadership Council Meeting

The following Council members attended this meeting.

Janet Areson	Charline A. Davidson	Nita Grignol	Frank L. Tetrick, III
Steven J. Ashby	James L. Evans	Catherine Hancock	Raymond R. Ratke
Jack W. Barber	Paul R. Gilding	Charlotte V. McNulty	James S. Reinhard
Mary Ann Bergeron	Gerald E. Deans	Jules J. Modlinski, Ph.D.	Joy Yeh
H. Lynn Chenault			

Martha J. Mead, James M. Martinez, and Barbara Barrett, the incoming Chair of the Virginia Association of Community Services Boards, also attended the meeting. This summary lists key points discussed; **decisions, agreements, and actions are shown in bold**.

1. New Focus for the Council: Dr. Reinhard expressed his excitement about the Council's decision at its last meeting to shift its focus from operational issues to larger picture or vision issues. He mentioned some potential agenda topics, including the role of state facilities in the community-based system of care, the state pharmacy, and recovery and self-determination. However, he suggested that, given the good budget news, the Council discuss how the new funds should be allocated. The Council agreed and this became the main topic of the meeting.
2. The Governor's Perspective: Dr. Reinhard mentioned the recent state agency heads meeting, at which the Governor indicated he felt his administration was only starting now, having had to deal with \$6 billion in revenue shortfalls over the past two years. The Governor outlined 10 areas of accountability and emphasized his intention to infuse a real management orientation into state government. Dr. Reinhard linked this with the unique opportunity our system has been given with the additional resources contained in the Governor's proposed budget and the Appropriation Act passed by the General Assembly. We need to be able to demonstrate results with these funds to support continued investment in our services system in the future.
3. Allocating the New State Funds For Adult Mental Health Services
 - Dr. Reinhard and Ray Ratke discussed the Department's proposal for distributing state funds for adult mental health services: \$9 million for Discharge Assistance Projects serving 77 individuals, \$4.6 million of three PACT teams, and \$2 million for the purchase of local inpatient services (*all figures are for the 2004-2006 biennium*).
 - Ray Ratke indicated that everyone, CSBs and state facilities, has done such great work on regional planning around budget crises and with regional restructuring partnership planning; thus, it seemed to make sense to build on this positive experience and maximize the use of the new dollars by allocating the funds regionally.
 - Consequently, the Department's proposal is based on a regional approach, rather than allocating funds to individual CSBs. Also, to encourage creativity and flexibility, rather than identifying amounts by regions, the proposal identifies types of initiatives by region.
 - For example, four of the seven regions are identified for inpatient purchase of services, since the other three regions already have received significant state general funds for this initiative. Similarly, three regions are identified for PACT teams.
 - Steve Ashby noted that the biggest challenge for Region 4 (Central Virginia) was civil and forensic placements at Central State Hospital from outside of the region. He suggested that one possible use of the region's additional resources might be supporting DAP placements in other regions. Region 4 would still manage the funds but transfer resources to other regions.
 - **After considerable discussion, the Council agreed on a regional approach for allocating these funds.** It should be noted that Regions 2 (Northern Virginia) and 5 (Tidewater) and the Catawba Region were not represented at this meeting.
 - **The Council identified two main focuses or outcomes for the new money: (1) addressing the Olmstead decision** (an explicit expectation in the budget discussions), and **(2) leveraging the new resources**, building on reinvestments and further restructuring the services system.

Summary of the May 12, 2004 System Leadership Council Meeting

- **The Council also agreed on the need to use and build on current regional partnership plans and activities and to identify specific time frames for implementation, rather than starting a new and separate process. There was a consensus to keep this effort as simple as possible.**
- **There was also general agreement to allow and encourage as much flexibility as possible.** For example, along with managing the new DAP funds regionally, regions should have the flexibility to include current DAP allocations in such regional management if they choose to do so. Another example would be the possibility of working with other regions, like the situation Steve Ashby discussed.
- **Dr. Reinhard agreed that the Department would send a memorandum to the seven regions about the allocation of the additional state general funds for adult mental health services. This memorandum will:**
 - (1) contain general dollar targets by region for each of the three initiatives (DAP, PACT, and Inpatient POS), and the targets could be adjusted by regions within some ranges;**
 - (2) indicate that all regions could propose PACT teams, but proposals would need to be tied to leveraging these resources to affect state facility utilization, and only three PACT teams will be funded;**
 - (3) target the Inpatient POS to the four regions without such resources currently (Catawba, Region 1, Southern, and Southwestern);**
 - (4) indicate that all regions could propose DAP initiatives, which should consider the ready for discharge consumers at their state facilities and identify ways to use these resources to build service capacity where possible;**
 - (5) encourage regions to address leveraging these resources in their proposals to continue restructuring activities;**
 - (6) urge regions to propose synergistic (e.g., combining several initiatives to multiply their effects on state facility utilization) and creative (e.g., using a number of DAP plans to develop service infrastructure) uses of these funds;**
 - (7) request regions to submit their proposals within a specified period of time (e.g., one month) to the Department;**
 - (8) indicate that the proposals will be reviewed and allocation decisions made by the regional partnership leadership from the seven regions and Department staff; and**
 - (9) commit that decisions will be made about allocations in a timely manner so that funds can be disbursed in July.**
- **Methods to track and report implementation of these initiatives will need to be developed.**

4. Increased Mental Health Services for Non-Mandated Children and Adolescents (\$2 million)

- Frank Tetrick discussed the Department's proposal, which emanated from the VACSB Child and Family Task Force. The proposal would allocate \$50,000 to each CSB to build infrastructure for child and adolescent mental health services.
- Several issues were identified and will need to be resolved before a final decision can be made about allocation of these funds.
 - (1) How much flexibility can there be in using these funds. For example, will they have to be allocated and managed through the same process as the existing funds for this purpose, that is allocated based on the CSA formula and with ISPs reviewed by the FAPT?
 - (2) Can the existing funds be de-linked from the current CSA framework?

Summary of the May 12, 2004 System Leadership Council Meeting

- **The Department agreed to develop a proposal to separate the current and new funds from the CSA framework and obtain answers to these questions, so that allocations can be made.**

5. Additional State General Funds for Part C (\$1.5 million for the biennium)

- Frank Tetrick reported that these funds are being distributed to the Local Interagency Coordinating Councils, based on their annualized child counts.
- He briefly discussed the Part C structure proposals and the need for contracts to be signed for the next fiscal year.

6. MR Waiver Slots

- The Department has worked with the training centers to identify residents who are ready for discharge and willing to be discharged.
- Ray Ratke noted that there was a lengthy discussion yesterday at the MR Special Populations Work Group about preparing the services system to implement the large number of new community and state facility waiver slots. This includes a lot of provider training.
- **The Department agreed to convene a group to look at how to distribute the 160 waiver slots for state facility discharges. This group would consider strategic approaches for addressing state facility issues (e.g., staffing shortages, capital outlay needs) as part of its deliberations.**
- **The 700 community waiver slots will be allocated using the existing mechanism. Each CSB will receive one slot and the remainder of the slots will be allocated in proportion to the number of consumers from each CSB on the statewide urgent waiting list.** Frank Tetrick indicated that the Office of Mental Retardation Services will complete reviewing this list by June 1, and then CSBs can be notified of their slot allocations. He noted that the Office is also updating the MR waiver provider list on the Department's web site.
- **The Council agreed that a separate group should be established to monitor the implementation of waiver slots. This will be critically important to our ability to seek additional waiver slots later. There was also general agreement that the procedures already developed about the reallocation of slots when they are not used will need to be implemented.** Ray Ratke indicated that the Department of Planning and Budget is willing to move some of the state fund match for the waiver slots, now in the DMAS budget, to the Department's budget for start up costs associated with the slots.

7. Other Funding Issues

- Mary Ann Bergeron noted that the substance abuse maintenance of effort issue will need to be addressed for the FY 2005 budget, since it was only included in the FY 2004 caboose budget bill. She indicated that the VACSB is not planning to seek significant new funds for substance abuse until after its major advocacy and education effort. However, she expressed an interest in the possibility of seeking some funds for the long-delayed Medicaid initiative for substance abuse services.
- She also asked if DMAS would consider reviewing the current mental health services to explore any possible flexibility in moving them toward the recovery model. Catherine Hancock agreed.

8. Possible Agenda Items for the Next Meeting

- Possible agenda items include: working with DMAS to revise Medicaid mental health services (without regulatory changes) to move them toward the recovery and self-determination model, ways to bring state facility directors and CSB executive directors together (e.g., a joint meeting at the fall VACSB conference), and identifying statewide state facility and community issues.
- The next Council meetings are scheduled on June 23 and September 22 at the Henrico Area CSB.